

Questions and Answers on the BSA/AML Examination Manual

Examination Procedures

1. When will the examiners begin incorporating the new FFIEC BSA/AML Examination Manual in their examinations?

The federal banking agencies will begin using the manual during the third quarter of 2005.

2. Does the new manual impose additional requirements for regulatory compliance or AML risk management?

The manual does not set new standards; instead it is a compilation of existing regulatory requirements, supervisory expectations, and sound practices for BSA/AML compliance.

Risk Assessment

3. Will the manual provide guidance on how to design and implement a risk-based AML program? Will examiners use a banking organization's risk assessment when scoping an examination?

The manual reinforces the agencies' and FinCEN's position that sound BSA/AML risk management enables a banking organization to identify BSA/AML risks and better direct its resources, with the ultimate goal of protecting the organization from potential abuse for money laundering or terrorist financing. The scoping and planning section and appendix J – "Quantity of Risk Matrix" provide examiners and the banking industry guidance on assessing BSA/AML risk. As part of the scoping and planning process the examiner will turn first to the banking organization's risk assessment. If the organization has not developed a risk assessment, or if it is considered inadequate, then the examiner must complete a risk assessment.

Suspicious Activity Monitoring And Reporting

4. Does the BSA/AML examination manual offer new guidance for Suspicious Activity Reports?

The manual is a compilation of existing guidance developed by the federal banking agencies and FinCEN and does not set forth new guidance for suspicious activity monitoring and reporting. Instead, the manual reinforces the agencies' and FinCEN's position that examiners should focus on evaluating a banking organization's policies, procedures, and processes to identify and research suspicious activity.

Other

5. Who should an individual contact if they have questions about the new manual?

Questions regarding the FFIEC BSA/AML Examination Manual should be directed to the district or regional office of your federal banking agency.